

Independent claim 1 recites a composite magnetic body, comprising metallic magnetic powder and thermosetting resin. The composite magnetic body has a packing ratio of the metallic magnetic powder of 65 to 90 vol% and an electrical resistivity of at least $10^4 \Omega \cdot \text{cm}$. None of the cited references teach or disclose the combination of these features.

Applicants respectfully submit that the *Kanekiyo* and *Kugimiya* references are non-analogous and it would not be obvious to one of skill in the art to combine them. *Kanekiyo* discloses an iron-based permanent magnet, which is a hard magnetic material. *Kugimiya*, on the other hand, is directed to soft magnetic materials. Hard magnetic materials and soft magnetic materials exhibit markedly different properties. Accordingly, there would have been no motivation to combine the teachings of *Kanekiyo* and *Kugimiya*.

Moreover, there would have been no motivation to combine the materials disclosed in *Kanekiyo* with the materials disclosed in *Kugimiya*. Although *Kanekiyo* discloses the use of a thermosetting resin, one of ordinary skill in the art would not combine this teaching with the materials disclosed in *Kugimiya*. The materials disclosed in *Kugimiya* require a densification process that occurs at a temperature of 300 degrees Celsius or higher. See, e.g., col. 4, lines 14 to 16. In such a high temperature densification process, an organic composition such as thermosetting resin would burn or decompose. Thus, one of skill in the art would have no motivation to combine these references. Accordingly, Applicants submit that claim 1 is allowable over the cited references.

Each of claims 2-15 depends from claim 1. Therefore, Applicants submit that claims 2-15 are allowable for at least the reason that they are dependent upon an allowable base claim. Moreover, each of claims 2-15 recites additional features in combination with the features of claim 1 and is believed allowable in its own right.

To the extent that the Examiner relies on JP 2-226799 to further reject claims 6-8, Applicants respectfully traverse this rejection.

With respect to claims 6-8, JP 2-226799 does not remedy the deficiencies of *Kanekiyo* and *Kugimiya*. For example, as discussed in detail in the last response filed by Applicants, JP 2-226799 does not disclose or suggest a composite magnetic body having a packing ratio of the metallic magnetic powder of 65 to 90 vol%. Accordingly, Applicants respectfully submit that claims 6-8 are allowable over the cited references.

Claim 16 stands rejected as being unpatentable over JP 2-226799 in view of *Kanekiyo* and *Kugimiya*. Applicants respectfully traverse this rejection.

Independent claim 16 recites a magnetic element comprising a composite magnetic body and a coil embedded in the composite magnetic body. The composite magnetic body comprises metallic magnetic powder and thermosetting resin. The composite magnetic body has a packing ratio of the metallic magnetic powder of 65 to 90 vol% and an electrical resistivity of at least $10^4 \Omega \cdot \text{cm}$. None of the cited references teach or disclose the combination of these features.

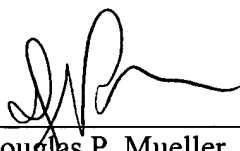
For the same reasons discussed above, there would be no motivation to combine *Kanekiyo* and *Kugimiya* to arrive at the features recited in claim 16. Similarly, there would be no motivation to combine *Kanekiyo* (hard magnetic materials) with JP 2-226799 (soft magnetic materials). Accordingly, claim 16 is believed to be allowable over the cited references.

In view of the above, favorable reconsideration in the form of a notice of allowance is requested. The Examiner is invited to telephone the undersigned at (612) 371-5237 if there are any issues that prevent the allowance of this application.

Respectfully submitted,

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